

A meeting of the Economic Development Corporation was held on Wednesday, August 1, 1984 in the Lower Level Conference Room at City Hall. The meeting was called to order at 7:30 P.M.

PRESENT: Norman McComb (Handleman - Series B)  
Ronald H. Mansell, Chairman  
Kenneth L. Courtney  
Nelson Ritner  
Sherwood E. Shaver  
William Torrace

ABSENT: Ronald Briggs  
Robert S. Gigliotti (excused)  
Laurence Keisling (excused)  
Charles Salgat (excused)  
Donald Tocco (Handleman - Series B)

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MINUTES - JUNE 28, 1984

Resolution #84-29  
Moved by ~~Briggs~~ *Ritner*  
Supported by ~~Gigliotti~~ *Shaver*

RESOLVED, That the minutes of the meeting of June 28, 1984 be approved.

Yeas: Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat

HANDLEMAN COMPANY - SERIES B

The project plan was reviewed.

Resolution #84-30  
Moved by Shaver  
Supported by Torrace

WHEREAS, there exists in the City of Troy, County of Oakland, Michigan (the "City") the need for certain programs to alleviate and prevent conditions of unemployment, to revitalize the City's economy, to assist industrial and commercial enterprises, and to encourage the location, expansion or retention of industrial and commercial enterprises, to provide needed services and facilities to the City and its residents and to retain employment opportunities in the City; and

WHEREAS, a program to alleviate the aforesaid conditions has been initiated by the Corporation; and

WHEREAS, the Corporation in conformity with Act No. 338, Public Acts of Michigan, 1974, as amended ("Act No. 338"), and the Internal Revenue Code of 1954, as amended (the "Code"), has prepared a project plan (the "Project Plan"), providing all information and requirements necessary for a project to be undertaken for the benefit of the Handleman Company (the "Project"), including the issuance of revenue bonds by the Corporation (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED:

1. The Project Plan, as attached hereto and made a part hereof, meets the requirements set forth in Section 8(4) of Act No. 338, and is hereby adopted and approved.

2. The persons who will be active in the management of the project for not less than one year after approval of the Project Plan have sufficient ability and experience to manage the plan properly.

3. The proposed methods of financing the Project as outlined in the Project Plan are feasible and this Corporation has the ability to arrange, or cause to be arranged, the financing.

4. The Project Plan contains a statement by a person described in Section 8(4)(j) of Act No. 338 indicating the payment to all persons performing work on the construction project of the prevailing wage and fringe benefit rates for the same or similar work in the locality in which the work is performed and the Corporation hereby conclusively relies thereupon.

5. The Project as submitted is reasonable and necessary to carry out the purposes of the Act No. 338.

6. Based upon the information submitted and obtained, the Project Plan as submitted and the Project to which it relates serves to alleviate and prevent conditions of unemployment and strengthen and revitalize the City's economy and, therefore, constitutes a vital and necessary public purpose.

7. The Secretary of this Board (the "Secretary") be and is hereby authorized to convey this resolution and the Project Plan to the legislative body of the City for its review.

8. The Secretary is further directed to certify to the legislative body of the City that upon advice of the Project's applicant and upon this Board's investigation the Project will not have the effect of transferring employment of more than 20 full-time persons from another Michigan municipality to the City.

9. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Yeas: McComb, Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat, Tocco

HR 4170 (IDR LEGISLATION)

It was reported that the Governor is expected to sign an Executive order within the next three weeks, which will pool the \$700 million local share annual limit instead of requiring each community to operate under its own limit of \$75 per capita.

8/1/84

CREATIVE INDUSTRIES OF DETROIT, INC.

Mr. VanDriesen explained that the project was an upgrading of their computer operation for Detroit Industrial Engineering, a subsidiary, at 600 Minnesota. The applicaiton was reviewed.

Resolution #84-31  
Moved by Courtney  
Supported by Shaver

WHEREAS, there has been presented to the Board of Directors of The Economic Development Corporation of the City of Troy (the "Corporation") a proposal relating to the acquisition, construction and operation of a computer aided design facility to be located in the City of Troy, County of Oakland, Michigan (the "Incorporating Unit") for use by Creative Industries of Detroit, Inc., a Michigan corporation (the "Company"); and

WHEREAS, said proposal appears to have merit as a "Project" as defined in Act 338, Michigan Public Acts of 1974, as amended (the "Act"), and to meet the need for programs, services and facilities as described in the Act; and

WHEREAS, although a "Project Plan", as defined in the Act, has not yet been completed or approved with respect to the proposed facility (the "Project"), it is likely that the Project will require issuance of revenue bonds by the Corporation; and

WHEREAS, it is desirable to begin proceedings under the Act with respect to the Project and to retain the services of bond counsel to begin preparation of documents with respect to such revenue bonds in order to induce the Company to implement the proposal so as to provide to the Incorporating Unit and its citizens necessary programs, services and facilities;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Pursuant to Section 8(1) of the Act, the Board of Directors of the Corporation upon the advice of the Company hereby proposes that the land area described in Exhibit A attached hereto and made part hereof is the land area which will be acquired in the implementation of the Project and hereby designates to the Incorporating Unit's legislative body said land area described in Exhibit A as the project area for the Project.

2. Upon receipt of an executed Memorandum of Agreement in the form attached hereto as Exhibit B, the Secretary of the Corporation be and is hereby directed to (a) communicate the proposed project area boundaries to the aforesaid legislative body by conveying to the foregoing body a certified copy of this resolution, and (b) notify the Chief Executive Officer of the Incorporating Unit of this Corporation's intent to commence a project that two additional directors of the Corporation representative of neighborhood residents and business interests likely to be affected by the proposed Project may be appointed.

3. In order to more fully induce the location of the Project in the proposed project area and subject to the hereinafter special provisions, the Corporation will issue its economic development limited obligation revenue bonds in an amount presently estimated not to exceed One Million Dollars (\$1,000,000), for the purpose of paying all or part of the cost of the Project and the costs incidental to the issuance of the bonds. Said bonds will be issued pursuant to the Act provided that a lease, lease purchase contract, installment sales contract or loan agreement, a memorandum of agreement in the form of Exhibit B attached hereto, and other documents and details pertaining to the bonds are prepared with such provisions and details as are

acceptable to and approved by this Board of Directors and provided, further, that all other necessary action is taken in conformance with the Act and provided, further, that the bonds can be sold.

4. The proceedings and agreements relating to the Corporation's financial assistance of the Project and issuance of the bonds shall contain such provisions and details as shall absolutely and completely make certain that under no circumstances will the Corporation, the Incorporating Unit, the State of Michigan or any of its taxpayers or citizens, ever be required to pay the principal of and interest on, or any costs relating to the bonds from tax revenues or other funds of such governmental units, and shall in addition contain provisions fully protecting the Corporation, the Incorporating Unit and the State of Michigan against any other liability and all costs relating to the bonds or the Project.

5. By adoption of this resolution the Corporation assumes no obligation or liability to the Company for any loss or damage that may result to the Company from the adoption of this resolution and all costs and expenses in connection with the construction of the Project and all costs of the issuance

of the bonds and any and all other costs relating to the acquisition, financing, ownership or operation of the Project shall be paid from the proceeds of sale of the bonds or by the Company.

6. The Memorandum of Agreement between the Company and this Corporation attached hereto as Exhibit B be and is hereby approved and the Secretary of this Board be and is hereby directed to execute said Memorandum on behalf of this Corporation.

7. The firm of Miller, Canfield, Paddock and Stone of Detroit, Michigan, is hereby designated and retained by the Corporation as bond counsel with respect to the revenue bonds to be issued in connection with the Project, and is authorized and directed to prepare and submit to all appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of such bonds, to make application on behalf of the Corporation to the United States Internal Revenue Service and other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of such bonds, and the Secretary of this Corporation is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. The legal fees of Miller, Canfield, Paddock and Stone for work done in connection with the Project shall be paid from the proceeds of sale of such bonds or by the Company and in any event shall be at no cost to the Corporation.

Yeas: Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat

WILLOWGREEN BUILDING GROUP

The reasons for an amendment to the resolution of inducement were explained.

Resolution #84-32  
Moved by Torrace  
Supported by Ritner

RESOLVED, that the Resolution of Inducement, Resolution #83-12, for the Willowgreen Building Group project, is hereby amended to be for \$1,800,000.

Yeas: Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat

UNITED OAKLAND LIMITED PARTNERSHIP

8/1/84

The letter of withdrawal was received.

Resolution #84-33  
Moved by Ritner  
Supported by Shaver

RESOLVED, That the withdrawal of the application for the United Oakland Limited Partnership project be accepted.

Yeas: Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat

Resolution #84-34  
Moved by Ritner  
Supported by Torrace

RESOLVED, That one-half of the application fee for the United Oakland Limited Partnership project be refunded per the rules of the EDC.

Yeas: Mansell, Courtney, Ritner, Shaver, Torrace  
Absent: Briggs, Gigliotti, Keisling, Salgat

LETTER - JOEL PIELL

The letter which Mr. Piell was writing to the Michigan Job Development Authority was not sent because of the pending Governor's Executive Order which will provide sufficient funds for our EDC bonds, by pooling the local community limits on a state-wide basis.

PROGRESS CHART

The progress chart was reviewed.

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The meeting was adjourned at 8:15 p.m.

EXHIBIT A

PROJECT AREA

Land in the City of Troy, County of Oakland, State of Michigan, known as 600 Minnesota and described as follows:

EXHIBIT B

MEMORANDUM OF AGREEMENT

THIS AGREEMENT, entered into as of the \_\_\_\_ day of \_\_\_\_\_, 1984, between THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TROY (hereinafter called the "EDC"), and CREATIVE INDUSTRIES OF DETROIT, INC. a Michigan corporation (hereinafter called the "Company"), for the purpose of creating jobs and employment opportunities and improving the economic welfare of the people of the State of Michigan.

W I T N E S S E T H:

WHEREAS, the Company desires to acquire, construct and operate a computer aided design facility for use as a commercial enterprise, said facility being located within the City of Troy (the "Project"); and

WHEREAS, the Company has evidenced a desire to have the Project financed from the proceeds of revenue bonds or revenue notes to be issued by the EDC pursuant to the authority of Act No. 338, Public Acts of Michigan, 1974, as amended (the "Act") in a principal amount presently estimated not to exceed \$1,000,000; and

WHEREAS, the Project will provide additional employment and job opportunities for residents of the City of Troy (the "City") and improve the economic welfare of the City and its people; and



WHEREAS, it is the desire of the EDC that such added jobs and employment opportunities be provided at the earliest possible moment and that the economic improvement to be produced by the operation of said Project occur at the earliest possible time;

NOW, THEREFORE, THE PARTIES AGREE:

1. The Company may, at its own risk, immediately proceed with the Project and will provide at its own expense any initial financing for the Project, if necessary. The Company shall not make any claim or enter any suit or other action against the EDC, its board of directors or officers, individually or collectively, for any expense, damage, or loss it may sustain as a result of its activities during this period. The Company agrees that upon issuance of the bonds or notes by the EDC, it will take such actions as are necessary to secure the payment of the principal, premium, if any, and interest thereon as shall be approved by the EDC, the Company and the purchaser of the bonds or notes and as required by law.

2. In consideration of the premises, the Company will indemnify and save harmless the EDC, its board of directors and officers, their successors and assigns, both individually and collectively, from and against any and all loss and damage and any and all claims, demands, suits, liabilities and payments resulting or arising from or in connection with the Project. This contract of indemnity shall continue in force from the date of this Agreement until the closing on the bond issue in connection herewith.

3. The Company hereby agrees to reimburse the EDC for direct costs, including fees of local counsel, as such costs and fees are incurred and billed. The Company shall, upon execution of this Agreement, pay to the

EDC an administrative fee of \_\_\_\_\_ Dollars  
(\$\_\_\_\_\_).

4. The EDC, after approval of the Project and the Project Plan, as required by the Act, and upon receipt of a duly executed notice that the bonds or notes will be purchased by one or more persons or entities therein named, will enact the necessary resolutions to authorize the issuance of the bonds or notes and the execution, on its behalf, of the documents pertaining to the same, the form of which will be subject to the final approval of the Board of Directors of the EDC.

5. The proceedings and agreements relating to the acquisition and construction of the Project and the issuance of bonds or notes shall contain such provisions and details as shall absolutely and completely make certain that under no circumstances will the EDC, its board of directors, its officers, individually or collectively, ever be required to pay the principal and interest on, or any other costs relating to, said bonds or notes, except from revenues derived from the Project.

6. Miller, Canfield, Paddock and Stone has been designated and retained by the EDC as bond counsel with respect to the issue of the bonds or notes, and the legal fees and expenses of Miller, Canfield, Paddock and Stone shall be paid from the proceeds of the sale of the bonds or notes and in any event shall be at no cost to the EDC.

IN WITNESS WHEREOF, THE ECONOMIC DEVELOPMENT CORPORATION OF  
THE CITY OF TROY, by resolution of its Board of Directors, authorized  
the execution of this Agreement by its Secretary. The \_\_\_\_\_  
of Creative Industries of Detroit, Inc., by authority granted by  
its Board of Directors, executed this Agreement on behalf of Creative  
Industries of Detroit, Inc. effective this \_\_\_\_\_ day of  
\_\_\_\_\_, 1984.

THE ECONOMIC DEVELOPMENT CORPORATION  
OF THE CITY OF TROY

By: \_\_\_\_\_

Its: Secretary

CREATIVE INDUSTRIES OF DETROIT, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

